



KENT COUNTY REPORT ON COOPERATION, COLLABORATION, AND CONSOLIDATION

Submitted to: Michigan Department of Treasury January 29, 2013

REPORT PURPOSE

Beginning in 2004, the State legislature made significant changes to the Glen Steil State Revenue Sharing Act (Public Act 140 of 1971) which provided for redistribution of a portion of the State's sales tax. Since the legislation was adopted in 1971, there have been significant changes which have made the county statutory revenue sharing payments subject to an annual appropriation from the legislature.

In 2004 the State "zeroed out" the line item for county revenue sharing and mandated that counties transition from a December to a July tax levy. Counties had three years (2005-2007) to fully transition to the July tax levy (in effect enabling the collection of four years' of property taxes in three years). The excess funding was placed in a Revenue Sharing Reserve Fund (RSRF) and counties could draw upon their respective RSRFs in a manner that approximated what it had received in revenue sharing payments from the State. Kent County depleted its RSRF in the first quarter of 2011. The 2012 State budget provided for restoration of only 78 percent of what the County was entitled to, or approximately \$9.1 million. Then in the 2013 State Budget, the State changed the program, renaming it the County Incentive Program. Under this new program, a county will receive 80 percent of the already reduced 2012 funding, with receipt of the remaining 20 percent based on a county's compliance with three requirements: transparency/accountability, collaboration/consolidation, and employee compensation.

This report is the second of three reports that is required to be submitted by the County and serves to meet the requirements related to the Consolidation of Services. In addition, the County is submitting Certification Form #4887 a requirement of the new State program. In turn, the County will receive 1/3rd of the 20% which was set aside through the County Incentive Program which amounts to \$204,242.

PREVIOUS SERVICE COLLABORATIONS AND CONSOLIDATIONS

Kent County has a long history of coordinating, collaborating, and consolidating governmental services when there is a financial savings or an improvement to the delivery of services. The County maintains a list of more than **100** examples of collaboration between local governmental units or the private sector. These partnerships have been developed to assist in ensuring the effective delivery of services as well as the most efficient use of resources.

While there are too many to include in this report, Kent County has chosen to highlight a few of the more substantial collaborations and consolidations which have had a significant impact on service delivery and cost-savings or cost avoidance. A full copy of the ongoing list is posted

online and may be accessed via the following link:
<http://www.accesskent.com/YourGovernment/Publications/>

Below are a few examples of effective consolidations or collaborations in which Kent County has engaged and are organized by functional areas of county operations.

Facilities

Human Services Complex: Since 1974, the County has partnered with the State of Michigan by leasing a County-owned facility (415 Franklin) to the Department of Human Services. However, over time, the facility design and space were inefficient and the facility became too costly to repair. Critical problems included an obsolete waiting area, limited conference areas for meetings with clients, and outdated plumbing, heating and electrical systems – not to mention a lack of infrastructure for today’s technology needs. In addition, the limited space required the State to locate approximately one-third of its staff at another location. In 2005 the State, City of Grand Rapids, and the County began discussing the possible relocation of the DHS to a new, County-owned facility. Land was acquired - in cooperation with the City and the Grand Rapids Public Schools - to develop a new Human Services Complex that would house the State Department of Human Services, a County health clinic, and the Area Community Service and Training Council (ASCET) - an agency created by inter-local agreement of the counties of Allegan and Kent, and the City of Grand Rapids. In early 2007, the County and the State signed a lease agreement to construct a new \$27 million consolidated facility, which now houses the State DHS, ACSET and a County Health Clinic. Construction began in early 2008 and the 136,897 square foot facility was completed and opened in June 2009.

Date Consolidated/Collaborated: Facility was opened in 2009

Jurisdictions Involved: *Kent County, State of Michigan – Department of Human Services, Area Community Service Employment and Training Council (ASCET), and the City of Grand Rapids*

Realized Savings: The old facility was 86,240 square feet and in 2008 operated at a cost of \$6.78 per square foot. In 2011, the new facility, which is 136,897 square feet, operates at a cost of \$4.95 per square foot, yielding a significant reduction in costs to operate a larger facility that houses additional services.

Other Benefits: Utilizing the County’s AAA Bond rating to construct the facility resulted in an estimate \$650,000 savings over the life of the bond. In addition, the facility is better designed to serve clients and allow staff to function more efficiently.

Kent County Courthouse: The County and the City of Grand Rapids worked to jointly finance the construction of a \$60 million Courthouse, which houses the County’s judiciary and some ancillary services as well as the City’s 61st District Court. Once bonds are retired, the County and City will be co-owners of the facility (County - 70%; City - 30%).

Date Consolidated/Collaborated: September 2001

Jurisdictions Involved: Kent County and City of Grand Rapids

Realized Savings: By utilizing the County's AAA Bond rating to construct the facility, there was additional financial savings to the City to construct the facility.

Other Benefits: The co-location of the 17th Circuit Court and the 61st District Court in one courthouse provides for the more efficient use of resources. Both courts require similar design and construction, both required security at the courthouse, as well space to hold offenders in a lock-up. In addition, both require that the Sheriff's Department transport offenders to the courthouse for various hearings. The consolidation of the facility provided many service enhancements to clients by creating one location to address Circuit and 61st District Court issues which can often be confusing. The consolidation has yielded countless savings to both the City and County by sharing operational costs that were at one time provided in two locations, yielding at least twice the cost. The City and County continue to make investments in the facility to reduce costs including making energy improvement and fine-tuning heating and cooling systems.

63rd District Court: In 2003, the County began discussions to consolidate the two separate locations of the 63rd District Court into a new facility located in Grand Rapids Township. The construction of the facility would provide more space, reduce redundant administrative services that were required due to the separate locations, and resulted from a partnership between Grand Rapids Township and the County. The County purchased 5.3 acres from Grand Rapids Township at a discounted price and provided sufficient land to install a geothermal heating and cooling system to reduce operating costs. The two jurisdictions also entered into a shared services agreement providing for reduced costs to each for landscaping and snowplowing.

Date Consolidated: 2009

Jurisdictions Involved: Kent County and Grand Rapids Township

Realized Savings: Energy savings alone for this new facility results in cost savings of nearly 25% annually compared to conventional heating and cooling. Through the consolidation the County was able to terminate the leasing contracts in Cascade Township saving annual lease payments. Combining the two courts allows for efficiencies and staff savings through attrition.

Other Benefits: As a result of the new facility, the County was able to transfer (at no cost) one of the former locations to the City of Rockford for use as a historical museum. In return, the County has currently retained use of a small portion of the building for occasional use by probation and other court services.

Culture and Recreation

Kent Trails: Kent Trails is a 15-mile non-motorized trail which required collaborative planning between the County, Byron Township and the cities of Grand Rapids, Grandville, Wyoming, and Walker. A unique component of the agreement resulted in the communities collectively depositing \$12,500 annually into a fund to ensure that sufficient resources would be available when the time came to rebuild or complete significant repairs to the trail. This fund was used to match and secure an MDOT grant which the Parks Department used to rebuild Kent Trails in

2009. In 2011, all partners agreed to extend the inter-local agreement for another 20-year period, continuing the commitment to pre-funding future rebuilding costs. The Sheriff Department also operates a volunteer patrol for safety and assistance on the trail.

Date Consolidated/Collaborated: 1992

Jurisdictions Involved: Kent County, Byron Township, cities of Grand Rapids, Grandville, Wyoming, and Walker.

Realized Savings: unknown future cost savings

Other Benefits: The Kent Trail system provides recreational opportunities for our communities which improves the quality of life and the desirability of communities in Kent County. As it relates to funding, the cooperative funding program was issued to secure a grant from the Michigan Department of Transportation which was used to rebuild a portion of trail in 2009. In 2011, all partners agreed to extend the inter-local agreement for another 20-year period, ensuring that match will be available when needed.

Public Safety & Judicial Services

Kent County Dispatch Authority: In 2006, the Kent County Dispatch Authority was formally established to examine and improve the delivery of 911 emergency services. The County, along with the cities of Grand Rapids, Wyoming, Walker, and Grandville, formed the multi-jurisdictional and multi-disciplinary Authority comprised of representatives from police, fire, and the EMS agencies as well as managers and supervisors from participating communities. The Authority has established a strategic plan, consolidated 911 call taking services, consolidated 911 dispatching services, purchased a \$2.5 million computer aided dispatch system and an \$800,000 phone system, established performance standards, and continues to work to enhance 911 services and is beginning work on radio communication issues.

Date Consolidated/Collaborated: Formally Established, 2006

Jurisdictions Involved: Current Representatives appointed by appropriate local governmental groups: Kent County, Kent County Sheriff's Department, City of Grand Rapids Police and Fire, City of Walker, City of Grandville, Michigan State Police, Algoma Township representing townships, cities of Rockford and Lowell representing small cities, Plainfield Township representing township fire services, , Kent County Emergency Medical Services as the Medical Control Authority for Kent County.

Realized Savings: The Authority requested and the Kent County Board of Commissioners subsequently approved a 45 cent surcharge on all telecommunication devices (with a billable address in Kent County) that are capable of accessing 911 services. This user fee provides approximately \$3 million annually to the Dispatch Authority which is then utilized to reimburse the two call-taking centers for a portion of the costs to operate. The cities of Wyoming, Grandville, and Walker now have all of their 911 calls answered and dispatched from one of the two centers. In addition, the Michigan State Police was able to close its 911 dispatch center in Rockford and relocate those

services to a centralized dispatch center in Gaylord providing an unknown amount of savings to the State.

Other Benefits: The primary purpose of the Kent County Dispatch Authority is to enhance the delivery of emergency 911 services which ultimately results in countless numbers of lives being saved.

Fire Commission: Numerous local units participate with the County on joint purchasing of insurance, fire equipment, and fire/emergency vehicles, taking advantage of cost savings realized with the “bulk” purchase of goods and services. The County funds 50% of the annual allocation and the participating units pay 50% of their allocation.

Date Consolidated/Collaborated: 1942

Jurisdictions Involved: There are approximately 18 local units of government represented by the Fire Commission.

Realized Savings: Annual savings to each community include the administrative costs borne entirely by the County, savings in insurance purchased on behalf of the collective through the County, and financing costs for their share of the vehicle and equipment purchases, as well as the 50% of the equipment paid by the County. The County’s appropriation toward that 50%, which directly reduces local units costs, has averaged \$163,000 over the past 5 years.

Other Benefits: The Fire Commission continues to provide information on the latest training requirements from the state, coordinating fire protection efforts, providing pumper replacement on a scheduled basis for each department, bulk purchasing power for bidding out the departments’ equipment/supplies, and other services necessary for the operation of the departments.

Administrative/Financial Services

Reverse Auction/Purchasing: The Kent County Purchasing Division implemented a reverse auction procurement tool in 2009, which was extended to local units within the County and two adjacent counties in 2010. A reverse auction (also called a procurement auction or e-auction) is a real-time auction where sellers compete to sell goods or services for progressively lower prices; resulting in the County and participating agencies being able to acquire commodities such as paper at a lower cost.

Date Consolidated/Collaborated: 2010

Current/Former Jurisdictions Involved: Counties of Kent, Ottawa, and Allegan; Cities of Grandville, Walker, and Wyoming; Townships of Ada, Algoma, Alpine, Cannon, Cascade, Gaines, Grand Rapids, Grattan, Sparta; and, the Villages of Casnovia and Kent City.

Realized Savings: The participating agencies are reporting improved procurement efficiencies and savings between 15% and 30% of the cost of goods and services procured through traditional purchasing methods.

Other Benefits: Through the joint purchasing program, it is expected that participating local units of government have been able to streamline some of their purchasing services for commodities. This continues to be an area which offers efficiencies and cost savings from economies of scale to all that participate.

Assisted Debt Financing: In 1997, and again in 2000, the County issued \$12.4 million of debt to assist the City of Grand Rapids in the financing of certain floodwall improvements utilizing the County's AAA credit rating providing the City of Grand Rapids (lower credit rating) with an interest rate savings of over (0.25% interest rate reduction) \$400,000 over the life of these bond issuances. In September 2008, the County refinanced \$7.87 million of this indebtedness achieving a gross interest savings of \$291,000 over the remaining life of this indebtedness. Without the application of the County's AAA credit rating, the City would not have been able to achieve the interest savings noted above.

Date Consolidated/Collaborated: 1997 & 2000

Jurisdictions Involved: Kent County and City of Grand Rapids

Realized Savings: At least \$691,000 for the City of Grand Rapids

Other benefits: The construction of the flood walls was completed.

Health & Welfare

Prevention Initiative: In 2000, Kent County made a long-term commitment to improving the well-being of children and families through the Kent County Prevention Initiative (KCPI). In 2003, the KCPI began providing expanded funding to four programs and in 2013 the Board of Commissioners appropriated \$1.6 million for two primary prevention family support programs, one child abuse and neglect prevention program, and one family-focused substance abuse prevention program.

Date Consolidated/Collaborated: 2000

Jurisdictions Involved: Kent County, Michigan Department of Human Services, Kent Intermediate School District, network180, Kent County Health Department, and other various entities.

Realized Savings: Investment in these programs is expected to result in savings and cost avoidance across our communities in both the public and private sectors. The last evaluation completed in 2010 identified that programs were resulting in net-savings of \$2,850 per case for the Bright Beginnings Program, \$4,370 per case for Healthy Start programming, and \$6,810 per case for Early Impact programming. Across the three programs, for \$1 invested there is an estimated social savings of approximately \$ 5-6.

Other benefits: The most recent evaluation report concluded that program participants are less likely to be involved with the formal Child Protection System than their comparison groups and that each program had a positive cost/benefit ratio

PROPOSED SERVICE CONSOLIDATIONS AND COLLABORATIONS*

***NOTE: THE FOLLOWING LIST REPRESENTS PROJECTS WHICH ARE CURRENTLY BEING INVESTIGATED AND EXPLORED TO DETERMINE IF IMPLEMENTATION WILL PROVIDE THE NECESSARY BENEFITS TO PARTICIPATING LOCAL UNITS OF GOVERNMENT.**

Financial and Human Resources Information System: In October 2012, the City of Grand Rapids received a \$3.6 million grant through the State's Competitive Grant Assistant Program. This funding is being provided for the City of Grand Rapids to partner with the MMRMA to collaborate with Michigan Municipal Services Authority to develop a cloud computing environment. As a part of these discussions, the County was invited to participate in the identification of the best-practices to be incorporated into the development of the system and is evaluating participating in the system as it is being developed.

Implementation Timeline: Project Kick-Off January 2013/ Partner Evaluation & Participation December 2013/ Project Implementation July 2014

Jurisdictions Involved: City of Grand Rapids, Michigan Department of Treasury, and Kent County; the system will be open to other local units of government as it is developed.

Estimated Savings: Yet to be determined. Kent County will need to purchase a new financial software system in the next few years. Should this collaboration yield a software/computing environment that will benefit the County, the savings could be substantial.

Other Consolidation Benefits: The outcome of this work could result in significant operational savings and streamlining of services which will continue to improve financial accountability and transparency as well as the delivery of services.

Parks Multi-Jurisdictional Study: In 2011, the County was awarded an Economic Vitality Incentive Program (EVIP) grant from the State of Michigan to conduct a multi-jurisdictional study of parks and recreation services to identify if there are additional opportunities for consolidation and/or collaboration. Phase I of this report was completed in September 2012 and the County is currently beginning implementation of Phase II which is to create a multi-jurisdictional Authority to implement high-value and strategic projects related to parks and recreation services in Kent County.

Implementation Timeline: Project Kick-Off August 2011 / Phase I Study Complete October 2012 / Phase II Implementation of Recommendations Complete December 2013.

Jurisdictions Involved: Countywide Study of Parks and Recreation Systems; also include private and public funders including the following: Grand Rapids Community

Foundation, Frey Foundation, Dyer-Ives Foundation, City of Grand Rapids, and the City of Wyoming as well as the State of Michigan.

Estimated Savings: To be determined.

Other Consolidation Benefits: Through the development of the Authority and the implementation of the high-value and strategic projects – such as joint planning and marketing and a consolidated reservation system, communities in Kent County will see cost savings and also benefit from the authority’s ability to be a vehicle to leverage additional funding and improve the quality of life for residents and visitors in Kent County.

Community Development: In 2012, the County was awarded a grant from the Economic Vitality Incentive Program (EVIP) to conduct a study to determine if there are opportunities to improve the delivery of community development services while reducing administrative costs for local units of government.

Implementation Timeline: Grant Award October 2012 / Study completed by 9/1/2013

Jurisdictions Involved: City of Grand Rapids, City of Wyoming, Kent County

Estimated Savings: \$100,000 per year

Other Consolidation Benefits: Based on the information collected in the review, a wide variety of changes could occur including, but not limited to, streamlining processes and/or timelines, determining different ways to allocate funds, or potential mergers of community development departments.

Conclusions

As noted prior, Kent County has a long history of partnering with local units of government and the private sector to ensure that services which are being delivered are being done effectively and efficiently. Our efforts would not be successful if not for the strong leadership and commitment to good government which exists in Kent County, from elected officials, to staff, volunteers, and to appointed officials. Together, we are committed to making Kent County the best place to live, work, and play.

REPORT AVAILABILITY/POSTING

Consistent with the requirements of Public Act 200 of 2012, a copy of this report is posted online on the Kent County Public Website and maybe accessed via the following link:

<http://www.accesskent.com/YourGovernment/Departments/Fiscal/cip.htm>